



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 27, 2012

#### CERTIFIED RETURN RECEIPT

7004 1160 0003 0191 8953

Ron Smith  
Ash Grove Cement Company  
P.O. Box 38069  
Leamington, Utah 84538-0069

Subject: Evaluation of Reclamation Surety, Ash Grove Cement Company, County Canyon Mine, M/023/0024, Juab County, Utah

Dear Mr. Smith:

The Division of Oil, Gas and Mining's last reclamation cost estimate for the County Canyon Mine was completed in 2007 and escalated to \$144,500 in 2012 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6)

The Division has reviewed the Notice of Intention to Conduct Large Mining Operations (NOI) for the County Canyon Mine. The information in the NOI and other documents is not consistent:

- The bond was calculated in 2007 based on 30.3 acres.
- The 1996 version of the NOI says there will be a total disturbed area of 30.29 acres
- The 1997 addendum says that there will be a maximum total of 22.79 acres of possible disturbance while the project disturbance is 17.36 acres.
- The maps in the 1997 addendum show 17.36 acres.
- The 2011 annual report states that there are 30 permitted acres.

Please confirm which acreage figures and maps are correct.

The Division has the 1996 NOI and the 1997 addendum, but with the conflicting information discussed above, it is not clear what version of the NOI information should be used. Please submit an updated NOI. The Division will review the document and, upon approval,



Page 2 of 2  
Ron Smith  
M/023/0024  
June 27, 2012

stamp it with an approved date. This should eliminate any confusion about what is and what is not approved.

The process for determining the reclamation surety amount has been modified since 2007. The Division asks that you complete and submit the worksheets available on our web site at [http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding\\_worksheets.html](http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html). The Division will review the calculations, determine the surety amount, then ask that you submit the revised surety.

**Please submit the revised NOI, including surety calculations, by September 28, 2012.**

Please contact Wayne Western at 801-538-5263 or by e mail at [waynewestern@utah.gov](mailto:waynewestern@utah.gov) if you have questions about the worksheets.

Thank you for your cooperation. Please call me at 801-538-5261 or Wayne Western at 801-538-5263 if you have questions about this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P B M', written in a cursive style.

Paul B. Baker  
Mining Program Manager

PBB: whw: eb

cc: Jerry Mansfield, BLM

Enclosure: Inspection report

P:\GROUPS\MINERALS\WP\M023-Juab\M0230024-CountyCanyon\Final\escalate-LM006122012.doc